

**NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
JANUARY 15, 2015
HUDSON ROOM - 6TH FLOOR**

I Call to Order and Roll Call - 9:40 A.M.

A meeting of the New Jersey State Board of Accountancy was convened in accordance with the provisions of the Open Public Meetings Act. Pursuant to those provisions, the proper notifications were made to the Office of the Secretary of State, the Camden Courier-Post, the Trenton Times, the Asbury Park Press, the Record, and the Star-Ledger. Board President, John Dailey called the meeting to order at 9:40 A.M. The following roll call was taken:

Richard C. Barlotta, PA	Excused
Jorge A. Caballero, CPA	Present
John F. Dailey, Jr., CPA	Present
Sara L. DeSmith, CPA	Present
Daniel J. Geltrude, CPA	Present
Dennis C. Meyerson, PA	Present
David J. Milkosky, CPA	Excused
Harold Model, CPA	Present
Ainsley A. Reynolds, CPA	Present
Michael H. Runge, CPA	Present

Also present at the meeting were Khaled Madin, Acting Executive Director; Tobey Palan, Deputy Attorney General, Melba Rodriguez, Secretarial Assistant; Marie Lisa, Staff; Ralph Thomas, Executive Director, NJCPA; Frank Boutillette, President-Elect, NJCPA; Mike Polito, Past President, NJCPA, Jeff Kaszerman, Government Relations, NJCPA; Ken Heaslip, CPA and David Plaskow, Editor, NJCPA

Board President Dailey requested that the Board enter into Executive Session briefly to discuss the results of the RMA examination that was conducted on December 5, 2014.

On a motion made by Jorge Caballero, seconded by Sara DeSmith, the Board voted to enter into Executive Session at 9:43 A.M. The vote of the Board was unanimous.

On a motion made by Ainsley Reynolds, seconded by Sara DeSmith, the Board voted to re-enter into Public Session at 9:50 A.M. The vote of the Board was unanimous.

II Minutes of the Meeting of December 18, 2014

On a motion made by Jorge Caballero, seconded by Dennis Meyerson, the Board voted to approve the December 18, 2015 Public Session minutes with corrections. The vote of the Board was seven voting in favor with Ainsley Reynolds abstaining.

III President's Remarks

Board President Dailey had no report for the Board.

IV Acting Executive Director's Remarks

Acting Executive Director Madin had no report for the Board.

V NASBA Matter

An email was received from Seth Goodowens, Examination Coordinator wherein he requests Board guidance on a education matter.

On a motion made by Hal Model, seconded by Jorge Caballero, the Board voted to approved the credits provided. Acting Executive Director Madin to communicate the information to Mr. Goodowens, the Examination Coordinator. The vote of the Board was unanimous.

VI Committee Reports

A CPA Examination Committee

Harold Model had no report. It was mentioned that three comments were received from different entities but was not sure if the Board would be discussing at the January Board meeting. DAG Palan informed the Board that she would speak with Acting Executive Director Madin regarding the comments.

DAG Palan also informed the Board that responses to the comments received will only be sent if warranted. When comments are received they are acknowledged.

B Ethics Committee

Jorge Caballero reported that on January 3rd CPE, Inc. submitted an in person and webinar course for Board approval. Minor changes need to be made, which will be provided to the Board staff to correspond to CPE Inc. CPE, Inc. will be approved provided that the changes have been made. The Board also reviewed an in person course submitted by Accounting Educators.

On a motion made by Jorge Caballero, seconded by Hal Model, the Board voted to approve the courses provided by CPE, Inc. and Accounting Educators provided that the minor correction have been made. The vote of the Board was seven voting in favor with John Dailey abstaining.

C CPE Committee

Daniel Geltrude had no report.

D RMA Committee

John Dailey reported to the Board that eight candidates passed the RMA examination held on December 5, 2014. The results are expected to be sent by the end of next week.

On a motion made by Jorge Caballero, seconded by Ainsley Reynolds, the Board voted to approve the results of the RMA examination held on December 5, 2015 and that the letter be mailed out as soon as possible. The vote of the Board was unanimous.

E Peer Review Oversight Committee

Sara DeSmith reported that a meeting will be held at the end of the Board meeting.

F Education Committee

Ainsley Reynolds had no report for the Board.

G Reciprocity Committee

Michael Runge had no report for the Board.

H Nominating Committee

Dennis Meyerson had no report for the Board but did mention that a meeting will be held soon.

I Statute/Rules/Regulations Committee

No report was provided. Board President Dailey will contact Mr. Barlotta before the next meeting to inform him that a Committee meeting should be scheduled to start the Sunset process which should be completed in time for 2018 deadline.

J Monitoring Profession Committee

Mr. Milkosky was not present at the Board meeting but did provide a report to Board President Dailey. Mr. Milkosky is ready to start the audit process. NASBA has already been contact to find out what assistance they may be able to provide.

Last month, Board President Dailey requested totals from the last audit for renewal period ended 2011. Acting Executive Director Madin provided Board President Dailey with the following information.

Penalties Assessed:	\$157,000.00
Paid Penalties:	\$59,500.00
Rescinded:	16,500.00
Voluntary Surrenders:	21,500.00

VII Public Comments

Ralph Albert Thomas, CEO & Executive Director of the New Jersey Society of CPAs (NJCPA). On behalf of the Society, extended a belated Happy New Year to the members and staff of the State Board of Accountancy. Our best wishes for a healthy and prosperous 2015. Following are key/important dates for the Society:

- April 23rd, 2015 –NJCPA Annual Scholarship Ceremony at the Renaissance Hotel in Woodbridge, NJ.
- June 10th-12th, 2015- NJCPA Annual Convention and Expo at the Borgata in Atlantic City, NJ.

Mr. Thomas updated members of the Board on the following NJCPA activities:

- As noted previously, the Society issued its formal comment letter on the proposed regulations amending the educational requirements to sit for the CPA exam, eliminating the self study maximum and aligning the AICPA's independence rules and Code of Conduct guidelines, etc. which were published in the October New Jersey Register. As previously mentioned, the Society hopes the Board will reconsider its decision to eliminate the 60 hour maximum on self study. We believe the Board should hold off eliminating the 60 hour maximum until after the AICPA and NASBA task forces have completed work they are doing looking at different delivery methods and learning models. The task forces should be completing their work and presenting recommendations in the next couple of months. Thus, we hope the Board waits until the task forces have completed their reports and presented recommendations before making any changes to self study. While there are pros and cons to allowing licensees to complete all of their 120 hour requirement (except for the Law and Ethics requirement), we believe live CPE provides additional learning opportunities as a result of the exchange that takes when participants ask questions or share experiences during a live CPE session.
- On the advocacy front, the Society continues to be actively involved in trying to advance reform of the estate and inheritance taxes, and proposing that if there's an increase in the gas tax that a compromise package be put forth which would include reforming the estate and inheritance taxes.
- Last week, two Democratic Senators introduced legislation to regulate paid tax preparers. While the profession supports regulating the tax preparer community, it has been concerned with the approach proposed by the IRS. As noted last month the AICPA filed a notice of appeal regarding the decision rendered by an

appellate court dismissing its suit against the IRS. The appellate court dismissed AICPA's suit indicating it didn't have standing. A decision regarding the appeals process probably won't be made for several months.

Kenneth Heaslip, CPA informed the Board that is an Educator but currently not associated with any college. Mr. Heaslip spoke about the advantages and disadvantages of self study, live instruction and webinars. Ms. Heaslip mentioned that the best learning is learning in a classroom wherein you may communicate with peers on discussion topics. Losing live instructions is very valuable in terms of education. Mr. Heaslip submitted a comments regarding the rules that were just published.

Frank Boutillette, CPA reported on CPE self study. Mr. Boutillette informed the Board that he is a peer reviewer and he recently had a firm with significant deficiencies in an area where expertise was obtained ineffectively by self study CPE.

On a motion made by Jorge Caballero, seconded by Sara DeSmith, the Board voted to adjourn the Public Session meeting at 10:25 A.M. to reconvene in Executive Session to discuss the results of the Investigative Inquiry, Licensees that answered "yes" to the crime question on the renewal form, three Old Business matters, PCAOB reports and four Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

Khaled Madin
Acting Executive Director